

Sixty-eighth
Legislative Assembly
of North Dakota

BILL NO.

Introduced by

Senator Sorvaag

1 A BILL for an Act to create and enact a new section to chapter 6-09 and a new section to
2 chapter 15-20.1, relating to an economic diversification research fund and a workforce
3 development and enrichment fund; to provide an effective date; and to declare an emergency.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1.** A new section to chapter 6-09 of the North Dakota Century Code is created
6 and enacted as follows:

7 **Economic diversification research fund - Economic diversification research**
8 **committee - Legislative management report.**

9 1. There is created in the state treasury the economic diversification research fund. The
10 fund consists of all moneys deposited in the fund under section 21-10-13. Moneys in
11 the fund may be spent by the Bank of North Dakota pursuant to legislative
12 appropriations to provide grants to institutions under the control of the state board of
13 higher education for economic diversification research.

14 2. The economic diversification research committee consists of:
15 a. The president of the Bank of North Dakota, as chairman;
16 b. Four members with experience in research, appointed by the president of the
17 Bank of North Dakota;
18 c. The state commissioner of higher education, or a designee; and
19 d. The president of North Dakota state university and the president of the university
20 of North Dakota.

21 3. In consultation with representatives of North Dakota state university and the university
22 of North Dakota, the committee shall award grants to institutions under the control of
23 the state board of higher education. Up to ninety percent of the funding must be
24 awarded to North Dakota state university and the university of North Dakota with equal

amounts awarded to each institution. The remaining funding must be awarded to the other institutions under the control of the state board of higher education, as determined by the committee. The committee may not award more than fifty percent of the available funding during the first year of the biennium. The Bank of North Dakota shall distribute the grant funding as awarded by the committee.

4. The committee shall develop guidelines for the economic diversification research grants. The purpose of the grants is to stimulate economic activity across the state through innovation of new technology, concepts, and products; to promote job creation and career and wage growth; to enhance health care outcomes; to address loss of revenue and jobs in communities with economies that depend primarily on the fossil fuel industry; and to provide experiential learning opportunities for students. Research projects may be initiated by an institution under the control of the state board of higher education or by the private sector. The guidelines must include consideration for research projects with matching funds and provisions for grant oversight by an internal advisory committee and an external advisory committee.

5. The committee shall develop reporting requirements for the institutions under the control of the state board of higher education. The reporting requirements must include criteria for assessing performance outcomes related to the grants. The committee shall compile the reports and shall submit a comprehensive report annually to the legislative management. The comprehensive report must include information on how the research efforts by each institution align with the state's priorities, how the institutions collaborate when appropriate, and how the outcomes of the research meet established performance expectations.

SECTION 2. A new section to chapter 15-20.1 of the North Dakota Century Code is created and enacted as follows:

Workforce development and enrichment fund.

1. There is created in the state treasury the workforce development and enrichment fund. The fund consists of all moneys deposited in the fund under section 21-10-13. Moneys in the fund may be spent pursuant to legislative appropriations to provide grants to support:

a. Strategic workforce development;

- 1 b. Technical education;
- 2 c. Workforce diversification initiatives; and
- 3 d. Workforce guidance and support.
- 4 2. Grant funding may be awarded only for one-time projects and initiatives.
- 5 3. Grants awarded for capital projects must have a matching requirement.
- 6 4. Thirty percent of the moneys in the fund must be designated to support workforce
- 7 initiatives in cities located in oil-producing counties that receive five million dollars or
- 8 more of allocations per fiscal year under subsection 2 of section 57-51-15 with priority
- 9 given to cities that have:
- 10 a. The highest percent of mining, quarrying, and oil and gas extraction employment
- 11 relative to the total employment of all industries in the city;
- 12 b. The highest number of employees in the mining, quarrying, and oil and gas
- 13 extraction sector relative to the other cities located in oil-producing counties that
- 14 receive five million dollars or more of allocations per fiscal year under
- 15 subsection 2 of section 57-51-15; and
- 16 c. The highest total taxable sales and purchases relative to the total taxable sales
- 17 and purchases of all the cities located in oil-producing counties that receive five
- 18 million dollars or more of allocations per fiscal year under subsection 2 of section
- 19 57-51-15.

20 **SECTION 3. EFFECTIVE DATE.** This Act becomes effective July 1, 2023.

21 **SECTION 4. EMERGENCY.** This Act is declared to be an emergency measure.